

## **EXHIBIT C**

**In the Matter Of:**

*Securities and Exchange Commission vs*

*Princeton Alternative Funding LLC, et al.*

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*WESLEY MCKNIGHT*

*January 12, 2023*

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**In the Matter Of:**

*SECURITIES AND EXCHANGE COMMISSION vs*

*PRINCETON ALTERNATIVE FUNDING LLC, et al.,*

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*WESLEY MCKNIGHT VOL 2*

*February 21, 2023*

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Attorneys Eyes Only Wesley Mcknight - January 12, 2023

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1 return all those documents.

2 Q. Okay. And we'll get into that. But so  
3 just to clarify that, you did produce documents on  
4 January 11th through your counsel in this matter,  
5 correct?

6 A. Yes. That is true.

7 Q. And it's your position that you produced  
8 all documents you have in your possession that are  
9 responsive to that subpoena, correct?

10 A. Yes.

11 Q. Like you just mentioned, you were  
12 required to destroy all documents concerning Ranger.  
13 Do I have that right?

14 A. That is correct. Destroyed or returned.

15 Q. And did you destroy those documents?

16 A. Yes. I returned and destroyed those  
17 documents -- or returned them. I destroyed or  
18 returned. Sorry.

19 Q. And this was pursuant to your employment  
20 agreement with Ranger? Is that right?

21 A. Per the terms of the employment agreement  
22 and the settlement agreement, yes.

23 Q. Okay. And can you recall what sort of  
24 documents these were?

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1 Q. And this trip was primarily for the  
2 purpose of SEC testimony preparation; is that  
3 right?

4 MR. SMITH: Object to the form.

5 A. I don't remember if it was the SEC  
6 testimony or if they were going to try to get  
7 them back to testify in the arbitration. But it  
8 was for one of those. I don't remember  
9 specifically which one it was for.

10 MS. MCFARLAND: And I can pull it back  
11 up in the deposition if anybody feels that's  
12 necessary.

13 Q. But I would represent that it was --  
14 the SEC is the current time period I'm talking  
15 about for South Dakota.

16 A. Okay.

17 Q. So that being said, can you explain to  
18 me Mr. Katsiff's role in the SEC investigation of  
19 Ranger?

20 A. Well, it started out by  
21 Mr. Wojciechowski's deposition was being taken in  
22 the Ballard office. And during one of the  
23 breaks, Tim went up to -- Mr. Katsiff went up to  
24 Mr. Burgess and Mr. -- one of Mr. Burgess'

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1 attorneys, and basically -- I kind of came in  
2 late to the conversation. All I heard was Tim  
3 basically pointing his finger at him saying, the  
4 SEC is going to nail your ass to the wall. And  
5 that's -- from my perception, that's where it all  
6 started.

7 After that, Mr. Axelrod had like some local  
8 contacts down at the SEC, and I didn't attend any  
9 of the trips to the SEC when Mr. Katsiff and  
10 Mr. Hacker and potentially others went along. I  
11 just knew that they made several trips and had  
12 multiple conversations with the SEC about  
13 Princeton.

14 Q. Who had multiple conversations with the  
15 SEC about Princeton?

16 A. I know -- from my perspective  
17 Mr. Katsiff basically took the lead on it. And  
18 he had numerous conversations with them.

19 Nim was involved in those conversations --  
20 or Mr. Hacker was involved in those conversations  
21 as well, as well as Mr. Axelrod was involved in  
22 those conversations.

23 The -- Tim's involvement was where he would  
24 tell -- sometimes he'd tell, like, Scott or he'd

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1 tell myself or other Ranger employees that, like,  
2 for example, when Mr. Burgess and  
3 Mr. Wojciechowski, and there may have been  
4 others, but they had to go to Washington, D.C. to  
5 be deposed in front of the SEC. Mr. Katsiff told  
6 me the event was happening. So like Mr. Katsiff  
7 was heavily involved with the SEC and the  
8 investigation.

9 Q. And you mentioned Mr. Axelrod. Was he  
10 also involved in the SEC's investigation into  
11 Ranger?

12 MR. SMITH: Object to the form.

13 A. Mr. Axelrod had the contacts at the  
14 local office. I think his primary contact, his  
15 name was Corey. I'll remember his last name  
16 probably in a little bit. But that was  
17 Mr. Axelrod's primary contact.

18 Q. Does Corey Schuster refresh your  
19 recollection?

20 A. Yes.

21 MR. SMITH: Object to the form.

22 Q. Do you recall about what year this was?

23 A. That -- those events all started in  
24 late '17, right before the arbitration actually

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1 assistance was given?

2 A. I believe Mr. Katsiff and Mr. Hacker  
3 influenced the whistleblower claim. To what  
4 substance, I don't know.

5 Q. Do you recall the SEC's inquiry into  
6 Ranger in 2018?

7 A. I don't think that's the right year.

8 Q. Did it begin in 2017?

9 A. Yeah. I believe the year it started  
10 was in 2017.

11 Q. Okay. And so do you recall the SEC's  
12 inquiry beginning in 2017 into Ranger?

13 A. I do. I do recall the inquiry in 2017.

14 Q. Did you have any involvement in -- as  
15 to the inquiry?

16 A. On a limited basis. There was -- I  
17 never saw the formal, like -- I don't believe I  
18 saw the formal inquiry. I think it came from the  
19 SEC's Fort Worth office. I know they came to  
20 visit the office. I was out of the office when  
21 they came over, and I don't think I ever directly  
22 spoke to them. I was on a call with them until  
23 they basically presented their findings in 2018.

24 Q. Do you have an understanding as to what



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1 the SEC was investigating?

2 A. I don't -- I don't know everything. I  
3 just know from that conference call what they put  
4 in their -- at that point, I don't even know if  
5 it was a deficiency letter. I just -- there were  
6 basically two main points that came out of their  
7 investigation.

8 Q. Do you recall what those points were?

9 A. The first one was about the loss  
10 reserve methodology and how Gary did that. They  
11 basically disagreed that -- and said we couldn't  
12 do it that way.

13 The second one was -- which became a  
14 surprise to me, was on how much knowledge Gary  
15 had about Princeton and how things weren't going  
16 right and how it should have been disclosed to  
17 investors. And when we were trying to raise  
18 additional funds, it should have been disclosed  
19 to investors. There's numerous times it  
20 mentioned in there communications and things that  
21 Mr. Melara had knowledge of.

22 Q. And you mentioned a call that you were  
23 involved with. What was that call for?

24 A. It was basically SEC just, I call it --

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1 I would say presenting us their findings. And  
2 there were -- there were a couple of people from  
3 the Fort Worth office on there and then there  
4 were multiple Ranger employees on it.

5 Q. Was that call in the spring of 2018?

6 A. It was.

7 Q. And, in your opinion, did Ranger lie to  
8 the SEC?

9 MR. SMITH: Object to the form.

10 A. Yes.

11 Q. And can you recall what those lies  
12 were?

13 MR. SMITH: Object to the form.

14 A. From what I recall, the -- Mr. Katsiff  
15 was involved in the response. The -- it was the  
16 same -- it was the same narrative back to the SEC  
17 and how Ranger wasn't aware of Mr. Burgess'  
18 background and him having a felony. And  
19 basically why some of the other evidence that  
20 they had found wasn't -- was misinterpreted.

21 And there was a response to the reserve  
22 calculation, how basically our auditors had  
23 signed off on it. But that was like -- that was  
24 secondary, considering the involvement of

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1 Mr. Melara in not disclosing the details.

2 Q. During the conversation with the SEC,  
3 was everybody involved in that conference call  
4 disclosed?

5 A. No. I believe -- I believe I testified  
6 that this is -- during the beginning of the call,  
7 the SEC wanted to basically take a roll call and  
8 telling them who was on the phone.

9 Basically Scott Canon -- several of us were  
10 in Jay's office, Jay Thompson's office. Scott  
11 Canon walks in. And Dana Ousley is sitting there  
12 and says, "Oh, wait, Scott Canon also just joined  
13 us." And then Jay says, "Oh, but he's leaving,"  
14 as Scott is pulling up a chair and sitting down.

15 Q. And did Mr. Canon ever leave?

16 A. No. He attended the entire meeting.

17 Q. Was that disclosed to the SEC?

18 A. It was not.

19 Q. You mentioned the response to the SEC  
20 from Ranger. Was that a complete response, in  
21 your opinion?

22 MR. SMITH: Object to the form.

23 A. No.

24 Q. Why not?

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1 MR. SMITH: Object to the form.

2 A. I believe the response was -- it was  
3 misleading.

4 Q. Misleading in what way?

5 A. To the extent that Mr. Melara was aware  
6 of issues at Princeton and didn't disclose them.

7 Q. Would you say that the response was  
8 accurate?

9 MR. SMITH: Object to the form.

10 A. No.

11 Q. Is that for any other reasons than  
12 those that you just gave?

13 A. At this point, Ranger was -- in my  
14 opinion, they were sticking with the narrative  
15 that they had with Mr. Burgess, and not knowing  
16 about his involvement.

17 Q. I'm sorry, I lost you. You said "the  
18 narrative."

19 A. So in my opinion, it was Ranger  
20 sticking with the narrative that they didn't know  
21 that Mr. Burgess was involved in, with Princeton.

22 Q. And you may recall from the  
23 deposition --

24 MS. MCFARLAND: I think everybody can

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1 Ranger was intending to mislead the SEC with this  
2 response?

3 A. Yes.

4 MR. SMITH: Object to the form.

5 A. Yes.

6 Q. Thank you. Earlier, you mentioned  
7 David Axelrod. Can you state who that is?

8 A. Mr. Axelrod is an attorney for Ballard  
9 Spahr.

10 Q. Did Mr. Axelrod serve as an attorney  
11 for Ranger?

12 A. Yes, he did.

13 Q. Do you recall when?

14 A. He started approximately the same time  
15 the rest of the Ballard Spahr attorneys did. It  
16 was either the third or fourth quarter of 2017.

17 Q. Did Mr. Axelrod ever confirm that he  
18 could get MicroBilt censored or sued by the SEC  
19 as a result of his contacts with the SEC?

20 A. Yes. He inferred that.

21 Q. And Mr. Axelrod was previously employed  
22 by the SEC. Is that right?

23 A. That's what he said. Yes.

24 Q. I apologize.

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1 A. Bless you.

2 Q. Thank you.

3 Do you recall what Mr. Axelrod said with  
4 regard to the type of influence he could have on  
5 the SEC?

6 A. Basically, Mr. Axelrod said that he had  
7 worked for the SEC, still had close contacts with  
8 the SEC, and he thought that he could get them to  
9 go after Princeton.

10 Q. Go after Princeton in what way?

11 A. For securities violations.

12 Q. Do you know whether any steps were  
13 taken towards going after Princeton?

14 MR. SMITH: Object to the form.

15 A. Yes, there were.

16 Q. What specifically was done?

17 MR. SMITH: Object to the form.

18 A. There -- there were numerous times when  
19 I was in the Ballard Spahr office and I know that  
20 Tim and David and Nim, they -- they said they  
21 were leaving to go down and meet with the SEC.  
22 David brokered those introductions. And at least  
23 a couple of times where I witnessed, said he was  
24 attending those.